

**OFFICE OF ATTORNEY GENERAL****INSURANCE FRAUD SECTION**
TOM CORBETT • ATTORNEY GENERAL
NEWSLETTER

Philadelphia Residents Arrested For Preying on Homeowners in Alleged Operation of Illegal Insurance Adjustment Scheme

On February 8, 2008, Clarence Jackson and Jacqueline Cooper were arrested in Dauphin County for allegedly operating an illegal insurance adjustment scheme involving more than \$100,000 in false claims in Central and Southeastern Pennsylvania. Their arrests follow an eight-month investigation by a statewide investigating grand jury.



According to the grand jury, Jackson and Cooper operated under the names "Coast 2 Coast Adjusters" and "Global Adjusters", using flyers and commercials on local Christian radio stations to advertise their services as public insurance adjusters. As part of the alleged scheme, Jackson and Cooper offered to inspect homes for damage and submit insurance claims on behalf of homeowners. Jackson and Cooper discouraged any interaction between homeowners and their insurance companies, arranging to have claim materials and checks sent to them, rather than directly to the homeowners. In some cases, homeowners were completely unaware that an insurance payment had been made for their claim.

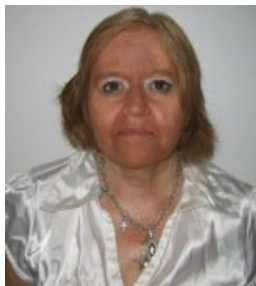


It is alleged that Jackson enhanced existing damage to homes in order to inflate insurance claims, spraying liquid on ceilings and walls to create fresh water spots, or loosening and removing shingles from roofs to create the impression of wind damage. Many claims were also reportedly inflated by submitting fraudulent invoices from non-existent contractors. According to the criminal complaint, multiple insurance claims were submitted using forged customer signatures on paperwork and checks. The grand jury found that Jackson or Cooper would cash various insurance checks at a business in Northeast Philadelphia, without the knowledge or consent of the homeowners, often using forged "notarized" affidavits to verify the authenticity of the homeowners' signatures and to grant the homeowners' permission for Jackson or Cooper to cash their checks.

Jackson and Cooper were both charged with two counts of Corrupt Organizations (F1), thirty-two counts of Insurance Fraud (F3), sixteen counts of Theft by Deception (F3), sixteen counts of Forgery (F3) and one count of Criminal Conspiracy (F3).



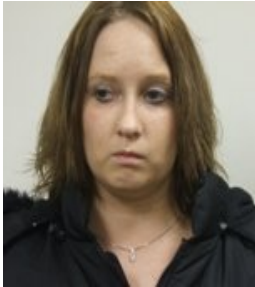
- On February 27, 2008, Peter and Elizabeth Joffe, husband and wife, were arrested in Luzerne County for allegedly inflating the value of items found missing from their home in a claim with the Allstate Insurance Company. According to the Criminal Complaint, Peter and Elizabeth Joffe were evicted from their property, following foreclosure proceedings. On two separate occasions, the Joffes filed police reports alleging that after their eviction they discovered belongings missing from the property. The Joffes initially estimated the value of the missing property to the police at only a few thousand dollars. Additionally, the Joffes represented in court filings with the U.S. Bankruptcy Court for the Middle District of Pennsylvania that they only owned approximately \$7,500 in personal belongings. The Complaint, however, states the Joffes submitted a list of missing items to their insurance company totaling more than \$69,620.54 and subsequently submitted a more extensive list totaling more than \$136,928.56. The Joffes were each charged with two counts of Insurance Fraud (F3), one count of Criminal Conspiracy (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- Tirhas and Wionshet Mekonnen were arrested on February 22, 2008, in Delaware and are expected to be extradited to Philadelphia County. According to the Criminal Complaint, Tirhas allowed her sister, Wionshet to use her medical insurance identification cards for a surgical procedure. It is alleged Wionshet Mekonnen utilized Tirhas' Blue Cross/Blue Shield Insurance to have the surgery performed in the United States rather than in her home country of Ethiopia because she



reportedly felt the standard of care in the U.S. was much better and the health care system easy to manipulate. Tirhas and Wionshet Mekonnen have each been charged with one count of Insurance Fraud (F3), one count of Theft by Deception (F3) and one count of Criminal Conspiracy (F3).

- On February 26, 2008, Francis O'Brien was arrested in Cumberland County. According to the Criminal Complaint, O'Brien submitted a motor vehicle accident claim to the Progressive Insurance Company misrepresenting the time of the accident in order to make Progressive believe that it occurred after his policy had become effective. O'Brien has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- Jeffrey Wracher was arrested on February 21, 2008, in Bedford County. According to the Criminal Complaint, Wracher obtained coverage from the Donegal Insurance Group and then filed a claim for a motor vehicle accident, misrepresenting the date of the accident to bring it within the time period of the newly obtained coverage. Wracher has been charged with one count of Insurance Fraud (F3) and one count of Theft by Deception (F3).
- On February 7, 2008, Doreen Mays was arrested in Lebanon County. According to the Criminal Complaint, Mays submitted a fraudulent receipt to the Merchants Insurance Group in conjunction with a vehicle damage insurance claim. The receipt, contained misspellings and discrepancies, attempting to show the purchase of aftermarket tires, wheels and a car exhaust kit purportedly on Mays' vehicle when it was damaged. It is alleged that the items on the purported receipt did not match those on the vehicle. Mays has been arrested and charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- Christina Malady was arrested on February 29, 2008, in Blair County. According to the Criminal Complaint, Malady was involved in an accident and immediately thereafter, obtained insurance from Geico Insurance

Company. It is alleged that Malady reported the accident to Geico misrepresenting the date of the accident and altered the accident date on the police report in an attempt to have it covered under the policy. Malady has



been charged with one count of Insurance Fraud (F3), one count of Criminal Attempt/Theft by Deception (F3) and one count of Tampering with Records or Identification (M1).

- On February 25, 2008, Patricia Taylor was arrested in Montgomery County. According to the Criminal Complaint, Taylor provided the Progressive Insurance Company with a 1099 income tax form in support of a claim for lost wages stemming from a motor vehicle accident. The form indicated that Taylor had yearly earnings of \$75,000. It is alleged that Taylor altered the 1099 and that her yearly earnings were actually only \$12,330.05. Taylor has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).

- Edward Snodgrass was arrested on February 27, 2008, in Allegheny County. According to the Criminal Complaint, Snodgrass was an insurance agent for Western and Southern Life Insurance Company, having previously sold policies for Aflac Insurance Company. It is alleged that Snodgrass created critical illness and/or life insurance policies for twenty individuals without their knowledge or authorization using information he obtained from prior Aflac customers. It is further alleged that Snodgrass arranged for automatic debiting of the customers' bank accounts to pay premiums to Western and



Southern Life Insurance Company. Snodgrass has been charged with one count of Insurance Fraud (M1), one count of Forgery (F3) and one count of Identity Theft (M1).

- On February 28, 2008, Daniel Holley was arrested in Tioga County. According to the Criminal Complaint, Holley filed an insurance claim with the Nationwide Insurance Company reporting that the left side of his vehicle was damaged when he struck a deer. It is alleged that the damage claimed was the same damage previously paid by Nationwide in an earlier claim made by Holley. Holley has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).

- Randall Borowski was arrested on February 26, 2008, in Westmoreland County. According to the Criminal Complaint, Borowski was involved in a motorcycle accident causing injuries to the other cyclist and his cycle. At the time of the accident, Borowski's insurance with the Progressive Insurance Company was cancelled for non-



payment. It is alleged that Borowski renewed his policy misrepresenting he was not involved in any accidents during the lapsed period. Borowski has been charged with one count of Insurance Fraud (M1).



- Anthony Morrone pled guilty to two counts of Insurance Fraud (F3), one count of Act 64 Violations (F), three counts of Theft by Deception (M1) and one count of Forgery (M1) in Allegheny County. Morrone passed fraudulent prescriptions for Oxycontin and/or Oxycodone, which were submitted to the Highmark Insurance Company, UPMC Insurance Company and Medco Insurance Company. Morrone was sentenced to serve 18 to 36 months incarceration, followed by 1 year probation, was ordered to attend drug/alcohol/mental health evaluation and treatment, and was ordered to pay restitution all court costs.

- James McErlean pled guilty to one count of Criminal Attempt/Theft by Deception (M1) in Cumberland County. McErlean filed a fraudulent auto insurance claim with the Progressive Insurance Company reporting he was involved in a motor vehicle accident while operating his vehicle when he was actually operating a company vehicle not covered by Progressive. McErlean was sentenced to serve 9 to 23 months incarceration and was ordered to pay all court costs.

- Tracy Deal pled guilty to three counts of Insurance Fraud (F3), three counts of Act 64 Violations (F) and two counts of Criminal Attempt/Act 64 Violations (F) in Butler County. Deal passed numerous forged prescriptions for Vicodin and/or Hydrocodone, which were submitted to the Medco Health Insurance Company for payment. Deal was sentenced in both cases to a combined sentence of 24 months restrictive intermediate punishment, followed by 3 years probation, was ordered to attend drug/alcohol treatment and was ordered to pay restitution and all court costs.

- Lewis Strand pled guilty to one count of Arson (F2) and one count of Insurance Fraud (F3) in Delaware County on February 19, 2008. Strand fraudulently reported to the USAA Insurance Company that his BMW was stolen when, in fact, Strand set the vehicle on fire and then reported it stolen. Strand was sentenced to serve 4 years probation, was ordered to perform 160 hours of community service, pay a fine of \$500 and all court costs.



- On February 15, 2008, Harry Slezak pled guilty to one count of Insurance Fraud (F3) in Montgomery County. Slezak obtained automobile coverage from the Progressive Insurance Company following an accident and then misrepresented the date of the accident in an effort to get it covered. Slezak was sentenced to serve 4 years probation and was ordered to pay restitution, a fine of \$200

and all court costs.

- Richard Ealing pled guilty to one count of Insurance Fraud (F3) and one count of Possessing a Controlled Substance (M) in Allegheny County on February 19, 2008. Ealing passed scripts for Xanax and Paxil using his father's insurance and date of birth which were submitted to Express Scripts. Ealing also was observed ingesting Heroin and disposing of six small packets of Heroin. Ealing was sentenced to 3 years probation, ordered to perform 100 hours of community service, undergo mental health/drug/alcohol evaluation/treatment and was ordered to pay restitution and all court costs.

- On February 26, 2008, Eniola Akinbo pled guilty to one count of Criminal Attempt/Theft by Deception (M1) in Montgomery County. Akinbo filed a claim under his health insurance with the Aetna Insurance Company reporting that while visiting Nigeria he became ill and was admitted to the hospital for treatment. Akinbo fraudulently claimed he paid \$12,300 for the ambulance, hospitalization and treatment when, in fact, he paid only \$900. Akinbo was sentenced to serve 2 years probation, ordered to perform 200 hours of community service and ordered to pay a fine of \$500 and all court costs.

- On February 7, 2008, Bruce Lowery pled guilty to one count of Insurance Fraud (F3) in Montgomery County. Lowery submitted a fraudulent auto accident claim to the Progressive Insurance Company reporting that he was injured when his car was struck while parked at a gas pump. Our investigation revealed that Lowery was not in the vehicle when the car was struck. Lowery was sentenced to serve 2 years probation, ordered to perform 100 hours of community service, pay a fine of \$1,000 and all court costs.

- Ernestine Hayward pled guilty to one count of Criminal Attempt/Theft by Deception (M1) in Montgomery County on February 15, 2008. Hayward submitted a fraudulent claim to the



American Independent Insurance Company as a result of a motor vehicle accident. Hayward and a co-worker claimed they were injured in the accident. Our investigation revealed that no-one was injured and the co-worker was not even in Hayward's car at the time of the accident. Hayward was sentenced to serve 2 years non-reporting probation and ordered to pay all court costs.

- On February 28, 2008, Tracee Linn pled guilty to two counts of Insurance Fraud (F3) and two counts of Act 64 Violations (F) in Washington County. Linn obtained forged prescriptions for Endocet and Lorcet. She called them in to several pharmacies purporting to be an employee of medical offices which were subsequently billed to Health America and Caremark. Linn was sentenced to serve 23 months probation, was ordered to perform 50 hours of community service and was ordered to pay restitution and all court costs.



- Frank Altomare pled guilty to one count of Criminal Attempt/Theft by Deception (M1) in Montgomery County on February 25, 2008. Altomare was involved in a motor vehicle accident while his coverage with the Progressive Insurance Company had lapsed. Altomare reinstated his policy retroactively and misrepresented he was not involved in any accidents during the lapsed period. Altomare then submitted a claim misrepresenting the date of the accident. Altomare was sentenced to serve 1 ½ years probation and was ordered to pay a fine of \$500 and all court costs.



(ARD) DISPOSITIONS

During the month of February, five additional defendants received Accelerated Rehabilitative Disposition (ARD). Defendants who receive ARD are typically sentenced to 2 years probation, 50 hours community service, and ordered to pay full restitution, all ARD costs and all court costs.

FRAUD REFERRALS

The Office of Attorney General's Insurance Fraud Section is the largest law enforcement entity in PA vested with specific authority to investigate and prosecute insurance fraud.

Most of the investigations conducted by the Insurance Fraud Section are initiated by referrals from insurance companies.

Insurance Fraud is a serious and very costly crime. As corporate citizens, it is your responsibility and obligation to assist law enforcement in combating this crime. Together, we can reduce the economic and societal impact of this costly crime.

If you suspect someone is committing insurance fraud, you are encouraged to submit an Insurance Fraud Referral Form to our office. Referrals may be submitted on-line at: www.attorneygeneral.gov

The INSURANCE INDUSTRY should use one of the following:

- [Instructions for Insurance Industry Form](#) 📄
- [INSURANCE INDUSTRY Printable Referral Form](#) 📄
- [INSURANCE INDUSTRY Online Referral Form](#)